

**RECORD OF PROCEEDINGS
OF THE UTILITY ADVISORY COMMISSION
GARDNER, KANSAS**

Page No. 2021-10
May 6, 2021

The Utilities Advisory Commission of Gardner, Kansas, met in Regular Session on May 6, 2021, at City Hall. Present were Vice-Chairperson Jake Wells, Commissioner Bryce Augustine, Commissioner Gary Williams, Commissioner Barbara Coleman, Utilities Department Director Gonzalo Garcia, Line Maintenance Superintendent Teddy Manes and one member of the public. Chairperson Kristina Harrison and Administrative Assistant Erin Groh were not in attendance.

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Vice-Chairperson Jake Wells.

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. **Standing approval of the minutes as written for the April 1, 2021, meeting of the Utility Advisory Commission.**

Motion by Commissioner Coleman, seconded by Commissioner Williams, to approve the Consent Agenda.
Motion carried 4-0 Aye

NEW BUSINESS

1. **Consider a recommendation to the City Council for the Utilities Department Line Maintenance Division to purchase a Quick Valve Startup Kit & sleeves from Olathe Winwater for the amount of \$49,925.00.**

Teddy Manes, Line Maintenance Superintendent presented the staff report. Manes explained that our water system has 2,369 valves and 1,161 fire hydrants. The system ranges from new valves all the way to older valves that have almost reached the end of their usefulness. The biggest impact of the Quick Valve Startup and sleeves would be that it would reduce the stress and impact on customers when we're performing maintenance or shutting down a water line because we're having to put in a new water valve in versus being able to surgically insert a valve, and not having to shut the water down and not harm the integrity of the existing pipe. It allows for no interruption of service to the customer. In the past there had been times where up to 130 homes were without water and a water main would have to be shut down. Staff would have to notify customers and sometimes in an emergency situation staff would have to just go out and work and wouldn't have time to notify people. Manes was asked by Commissioner Augustine how long it typically takes to fix a valve and he explained that sometimes it can take up to 6-12 hours where customers are without water. Commissioner Williams asked how long the Quick Valves would last and Manes replied that they last about 50 years or more, rated just the same as a mechanical joint valve. Commissioner Augustine asked if Line Maintenance staff has had any training to install the valves and Manes said that as part of the purchase of these valves, staff will all be trained on how to install them.

Motion by Commissioner Augustine, seconded by Commissioner Coleman, to forward the recommendation to the City Council to purchase a Quick Valve Startup Kit and sleeves from Olathe Winwater for the amount of \$49,925.00.

Motion carried 4-0 Aye

DISCUSSION ITEMS

1. Information regarding Home Depot's response to possible rebate program.

Director Garcia gave an update on the response from Home Depot regarding working with the city on a rebate program. A representative from Home Depot discussed options with Garcia that Gardner could implement with them. Garcia stated that Home Depot would be able to do a rebate program for LED Lights and smart thermostats. Two options are available for a price break: The first option is they would be able to do an automatic discount where a resident could go in with a coupon and automatically get the discount; the other option is for residents to pay full price at the store and then submit their proof of purchase to the city, and then the city would have to send a request to Home Depot for reimbursement. Garcia said that he would prefer if the city would implement a coupon based instant discount, which would simplify things.

Garcia stated that he also spoke with Ace Hardware about joining the city in a rebate program and they said that they would be willing to work with us and they would like the city to look in their catalog to identify what items to promote. Garcia stated that before he starts developing a way to do that, he'd like to present a formal proposal at the next meeting to recommend using Home Depot and Ace Hardware for the rebate program. Garcia said that a budget needs to be set for it and his original thought was \$25,000 for Electric and \$5,000 for Water but that we could maybe go a little bit higher. Garcia said he'd like to get a buy-in from Council before moving forward.

Commissioner Williams asked Garcia if he had talked to other utilities to see what their experience is with it and if we spend x dollars, would there be a monetary return over time. Garcia responded that he has not spoken with other utilities but has researched information on their web pages. Commissioner Coleman asked if Garcia would entertain bids from other businesses who would like to be a part of the rebate program. Garcia said that yes we could look at other businesses but wonders if they'd be willing to share the market with multiple other businesses. Since Gardner is not a big town, it may be too cumbersome and not profitable for the vendors. Coleman asked if we can advertise in Home Depot and Garcia stated that Gardner can put in stickers in the store near items in the program. Williams felt like since Home Depot sees primarily Olathe residents it may not be good to put signs in the store but stick to inserts in the Utility bills or do [email] blasts like the smart meter info has been sent out. Garcia said that a campaign or promotion would need to be done to promote it. Williams asked if Garcia thought we should start with one rebate item or do several at the beginning. Garcia said that Ace doesn't sell irrigation controllers and Home Depot can't do the instant discount for the irrigation controllers, so he thought starting with LED's and thermostats would be a good. Williams asked if there was a way to track customers who use the LED's and thermostats to see if it impacts their usage. Garcia said that we can track lots of things on the smart meters, but to track the impact of the LED's and thermostats would take a lot of time because it could be as many as 1,000 homes doing the program. Coleman suggested doing a survey later on to ask people if they could see a difference and Garcia agreed that a survey could be done. Williams suggested doing a one year window for residents to do the program and if it is used, then the program could be extended. Coleman asked if the UAC would need to get the program into the next budget. Garcia said that the next budget is 2022, but that adjustments could be made to the existing budget and that the UAC will need to get council's approval before going any further.

Commissioner Williams asked Director Garcia if he'd considered having customers go through a contractor for the rebate items to be installed because some people may not be comfortable wiring things, etc. Garcia said that in order to go that route, you have to post a list of contractors but you can't single out any certain contractors. Also you have to negotiate how much you're going to discount and it gets more complicated. Garcia suggested customers hiring an electrician if they need help installing the bulbs or thermostat. Williams said that maybe a coupon code could be used through a contractor to have them do an installation. Commissioner Augustine said that he felt like that would add a layer of bureaucracy, but it may be a good idea for down the road, but that for a first trial it might be best to keep it as simple as possible. Garcia said

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that he will bring a formal proposal to the next UAC meeting so the commission can propose a recommendation to City Council. Commissioner Augustine asked about a timeline for the program. Commissioners and Director Garcia agreed on having the program initially running to the end of 2021. Garcia said that the commission can see what the response is and make a final decision on how to proceed in the future.

Commissioner Augustine asked how the Smart Meter project was going. Garcia said that Electric Smart Meters are now 100% complete, and Water Smart Meters are at about 30% complete. Water is expected to be done by the end of August, if not sooner. Augustine asked if Gardner has a solar program currently and Garcia said that in 2010, Gardner implemented a renewable resource parallel interconnection program in which residential or commercial can install solar or wind. Today we have about 18 homes with solar panels and one wind turbine. Over the past four years, the city has also installed an additional 10 solar panels. Augustine asked if there is a rebate to install one of those [solar or wind] and Garcia said that there is not a rebate. Augustine asked if whatever energy is created then does it feed into the grid and their credits go up or down. Garcia gave an example of if a customer consumes 100 kilowatts, and then multiply that by the rate of 10 cents, which would be about \$10, you'd have \$10 of consumption. If they generated 100 kilowatts, they only get paid 6.45 cents. If they multiply that by 100, they'd get \$6.45 so they would have to pay \$4.00. So it is not net metering but it's done through the actual cost, not the actual energy. Williams asked if there was any way to avoid energy costs. Garcia said you'd have to install a lot bigger solar system. We pay 150% of our wholesale cost. Energy price is about 4.5 cents so we're paying 150% of that. Williams added that payback would be pretty long and Garcia said it would probably be 10 years in his estimate. Commissioner Coleman asked if the Johnson County Solar Farm that they're thinking about, would it benefit the city in any way. Garcia said that it would possibly if we got into an agreement with them. He said that they have not approached the city if we want to be partners on it or not. They were trying to have cities participate on that endeavor. Williams asked if Gardner has done a solar farm study and Garcia said that he presented to the UAC in late 2020. The study said that we can build our own solar facility and for example a farm with a 25 year life expectancy, it would cost the city about \$25 per megawatt hour. Most cities buying solar are paying \$50-59 per megawatt hour. We can generate solar a lot cheaper than we can buy it. Augustine reminded residents that if they are going to fill up their pools, that they can pick up a meter to hook up to a fire hydrant and hook up your garden hose to it and it could potentially help save money on filling up your pool. Garcia said that it is a lot less than the regular rate. Coleman asked if there has been a definite amount determined for what we have to recover from the energy crisis. Garcia said he doesn't have the numbers yet but he can try and present it at the next meeting. Coleman asked about the Water Treatment Plant expansion and Garcia said that the system startup is starting now and the substantial completion will possibly be moving to early June. We'll have additional water before the summer.

ADJOURNMENT

Motion by Commissioner Coleman, seconded by Commissioner Augustine, to adjourn the meeting at 7:54 p.m.

Motion carried 4-0 Aye

/s/ _____ Erin Groh

Utilities Department Administrative Assistant